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Railway Age

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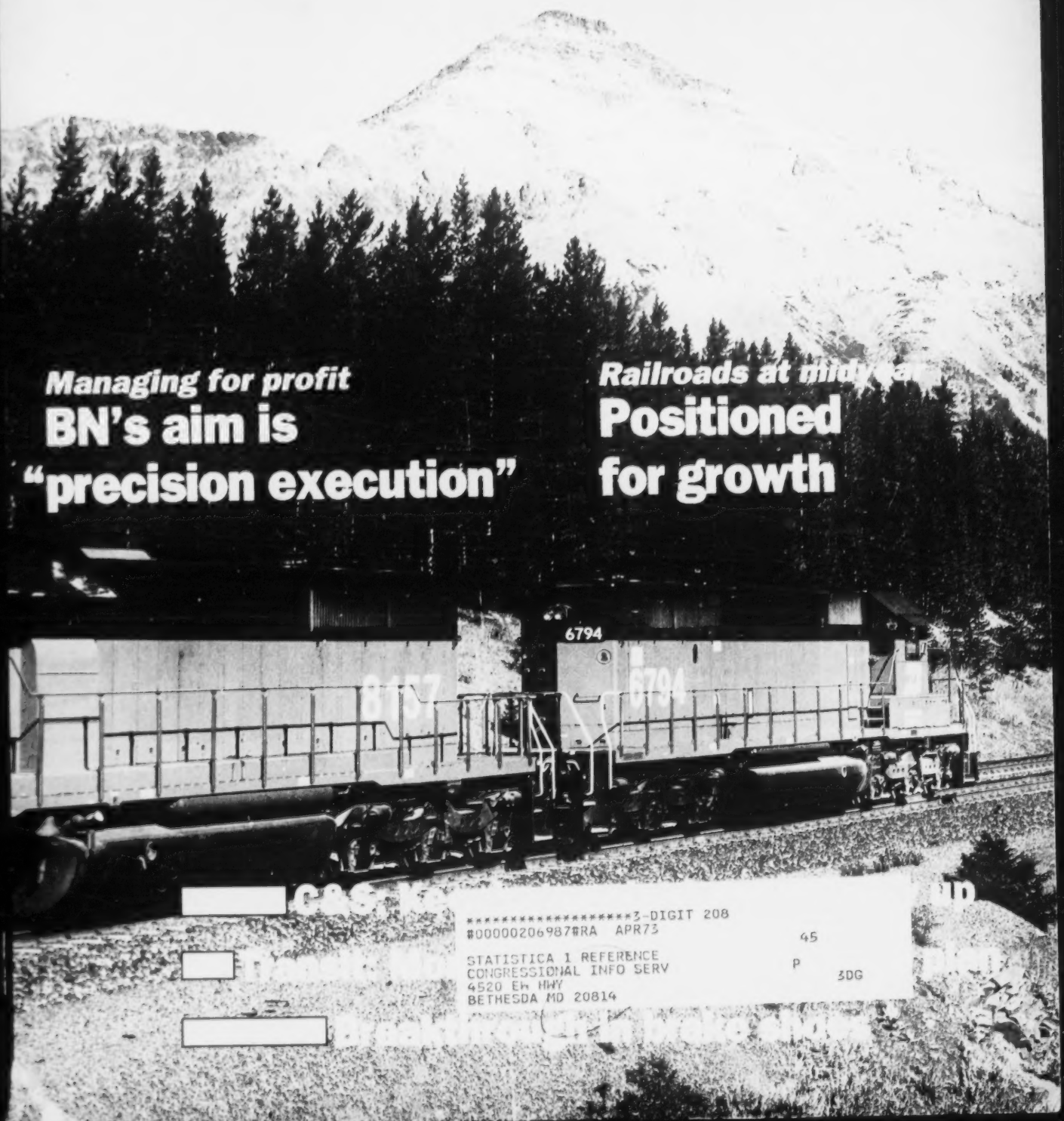

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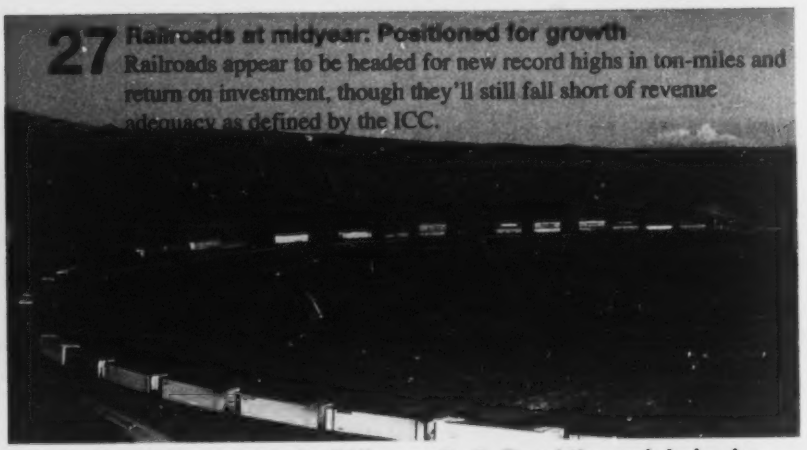

27 Railroads at midyear: Positioned for growth
Railroads appear to be headed for new record highs in ton-miles and return on investment, though they'll still fall short of revenue adequacy as defined by the ICC.

31 Managing for profit: BN's aim is "precision execution"
Chairman and CEO Gerald Grinstein says the goal is "tailoring service to meet a customer's need, in an economical way."

35 C&S: Keeping costs down, quality up
The problems of bringing technology into the new era of solid state hardware and digital data are explored at a *Railway Age* seminar.

41 Breakthrough in brake shoes
Griffin Wheel's Flange Saver could make an importrant contribution to safety as train speeds increase and loads get heavier.

45 From three losers, a winner
Thanks to a motivated workforce, the Copper Basin Railway is showing a profit where three predecessor operations failed.

47 Arizona & California: Defying the odds
Environmental-related traffic will help as this Arizona short line tries to grow local traffic in desert country.

51 Montreal's massive renewal plan
What CP Rail is proposing is a public/private partnership to extend the commuter rail system from two routes to as many as 10.

Departments

9 Industry Outlook
10 Market Outlook
58 People in the News
60 New Products
62 Meetings
64 100 Years Ago
65 Advertising Sales
65 Advertisers Index
67 Classified
71 Professional Directory

Comment

4 Inside
12 Lines on Labor
14 Watching Washington
16 Financially Speaking
44 Marketing Advocate
50 In Transit

Update

17 BN gets 100 new taconite cars
17 BN waste trains roll up gains
17 Rail rates fall under deregulation
17 New GE units for Santa Fe fleet
17 Galveston: BN's Mexican gateway
18 ICC will expedite WCTC-FV&W ruling
18 SP announces car rehab program
19 Santa Fe offers reefer inspections
19 Reduced crew operations on CN
19 ARAM awards Golden Spikes
20 New microprocessors for GM line
20 ICC revises criteria for classifying rails
20 RDC, Conrail in Argentine deal
21 Pueblo officer wins 1991 research award
21 Thrall plant wins OSHA recognition
21 SP, Chrysler sign multi-year pact
21 Maryland allows 53-foot trailers
22 Conrail simplifies, reduces rates
22 SP offers new backhaul incentive

Short Lines & Regionals

23 Aberdeen & Rockfish: 100 and thriving
23 SP sells 78-mile Arizona line
23 MRL gets new hoppers

Intermodal

24 PTL opens Charleston facility
24 CMX expands terminal network
24 Alliance upgrades drayage standards
24 Hub introduces new Quality Process

Transit

25 Amtrak delays "Sunset" extension
25 Aid cuts would hike transit fares
26 SP offers line for East Bay commuters
26 Amtrak implements RailComm
26 South Sacramento: Light rail or buses?
26 Santa Fe settles for $500 million
26 Arizona creates rail study group

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Market Outlook

Equipment

CSX Intermodal: Will acquire 675 new 48-foot trailers in an expansion of its equipment ordering system. "Intermodal customers are increasingly demonstrating a preference for 48-foot equipment," said Doug Christy, director-product management. "The new ordering system and equipment fleet upgrading work together to significantly increase the complete service package that we offer." He said orders will be required for all 48-foot trailers that are picked up empty from a CSXI terminal, a procedure similar to the ordering system that has been in effect for domestic container and temperature-controlled equipment.

Facilities

Federal Transit Administration: Awarded an $8.9 million grant to the Transportation Research Board (TRB) to launch a public-private initiative addressing short-term research needs of the transit industry. DOT Secretary Andrew H. Card said the Transit Cooperative Research Program "reflects the administration's determination to stimulate progress in the transit industry while reducing federal red tape." He noted that the grant is the first award of $88 million authorized over the next six years by the Intermodal Surface Transportation Efficiency Act.

Port Authority of New York and New Jersey: Authorized the expenditure of $7.8 million for advanced engineering and design work on NJ Transit's planned Secaucus Rail Transfer Station.

Metro-North: Will invest $35 million in a new car maintenance shop and an expanded storage yard at Stamford, Conn. The Federal Transit Administration has granted $28 million for the project; the state of Connecticut will provide $7 million. The new shop will maintain and perform repairs on a fleet of 344 electric commuter rail cars. The first floor of the three-story structure will consist of a shop accommodating six cars inside, an air conditioner and communication repair shop, and a material storeroom. The second and third floors will have administrative offices and welfare areas for Metro-North and ConnDOT personnel. The expanded storage yard will be able to accommodate up to 125 cars.

San Francisco Municipal Railway: Awarded a contract to the SEL Division of Alcatel Canada for the supply of an advanced train control system. The base bid was for $21.5 million, with options not to exceed $52.7 million.

Bethlehem Steel: Has entered into negotiations for the sale of its Steelton, Pa., trackwork fabrication operations, including the steel foundry and frog and switch departments, to Conley Frog & Switch. If the sale is consummated, Conley plans to continue operating the trackwork facilities at Steelton.

Southern California: The San Diego Association of Governments, the North County Transit District, and the Metropolitan Transit Development Board announced on June 18 the $90.5 million purchase of 82 miles of Santa Fe right-of-way, including the coastal line that extends south from Oceanside into downtown San Diego and the branch line that runs east from Oceanside to Escondido. Double-deck commuter trains are scheduled to begin operating on the line in the fall of 1994. The line purchase is part of a $500 million package put together by a consortium of local governments and transit agencies to buy more than 500 miles of right-of way throughout the area, about $1.4 million a mile.

Revenue Freight Carloadings

Commodity	June 13 week	June 6 week	May 30 week	May 23 week
Grain	25,132	22,626	18,508	21,006
Other farm products	2,261	2,439	1,974	2,259
Metallic Ores	17,581	18,498	19,523	19,536
Coal	128,116	124,090	112,094	124,782
Crushed stone, sand and gravel	15,023	14,778	11,964	14,802
Nonmetallic minerals	9,941	9,731	8,748	9,607
Grain mill products	10,347	10,088	9,148	9,743
Food and kindred products	9,428	9,411	7,962	9,277
Primary forest products	9,061	9,269	8,399	9,718
Lumber and wood products	5,832	5,409	5,603	6,255
Pulp, paper and allied products	10,736	10,575	11,142	10,719
Chemicals	29,238	28,375	27,093	29,911
Petroleum products	5,580	5,696	5,041	5,819
Stone, clay and glass products	9,859	9,999	8,985	10,228
Coke	5,538	5,542	6,689	5,917
Metals and products	8,899	9,295	9,153	9,431
Motor vehicles and equipment	20,611	19,883	16,606	20,419
Waste and scrap materials	9,221	8,839	8,183	9,118
All other carloads	7,738	7,425	6,172	7,456
Total cars loaded	**340,422**	**331,965**	**302,987**	**336,003**
% change from previous year	1.5	1.2	6.5	2.1

		%change
Cumulative total: 24 weeks	**7,744,496**	2.5

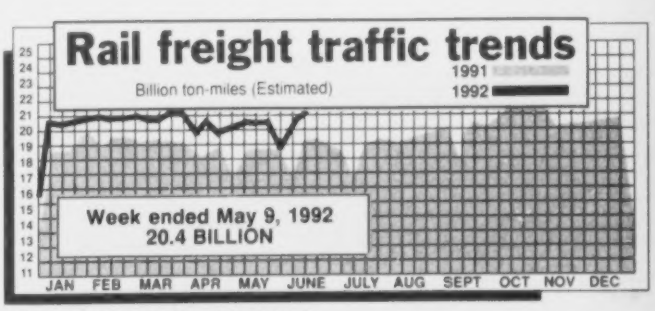
Estimated revenue ton-miles	**21.1**	**20.6**	**18.7**	**20.8**
% change from previous year	3.4	12.5	8.1	4.0

Total:	**1992**	**1991**	**%change**
	488.5	**466.2**	**4.8**

Intermodal Traffic

	June 13	June 6	May 30	May 23
Trailers	64,472	67,070	56,614	66,159
Containers	63,964	65,170	56,636	63,393
Total	**128,436**	**132,240**	**113,250**	**129,552**
%change from previous year	5.9	12.5	10.1	12.0

		%change
Cumulative total: 24 weeks	2,976,936	8.9



Source: Association of American Railroads

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Watching Washington

Under financial scrutiny, Amtrak comes out clean

How is Amtrak spending its taxpayer dollars? Three members of Congress recently asked the General Accounting Office for an accounting. Last month, GAO made public a 23-page "fact sheet" covering everything from the cost of train operations and equipment maintenance to travel allowances for Amtrak staff.

What the inquiring members of Congress hoped GAO would find is not clear. GAO issued its report with the disclaimer that it did not address "the appropriateness of any of Amtrak's expenditures." But an examination of the "fact sheet" shows that Amtrak, far from being a profligate spender, has been watching and controlling its costs carefully—not surprising to anyone familiar with the lean management style of Amtrak President W. Graham Claytor, Jr.

As for the big picture, GAO noted: "In recent years Amtrak's requirement of federal operating subsidies has decreased. In fiscal year 1980, Amtrak covered 48% of its operating expenses through revenues and required a $650.4 million operating subsidy. In fiscal year 1991, Amtrak covered nearly 79% of its expenses with revenues and required a $343.1 million operating subsidy."

The Congressional inquirers specifically requested information for fiscal years 1988-1991. Reported GAO: "Amtrak's operating revenues increased by 22.8% between fiscal years 1988 and 1991, while expenses increased by 18.4% during the same period."

Wherever expenses might seem somewhat out of line, there was a good explanation. For example, air travel expenses for the office of the vice president for passenger services increased from about $55,000 in fiscal 1988 to over $124,000 in fiscal year 1989—but this included "the cost of returning onboard service personnel to their home bases when service was disrupted because of such problems as floods and mud slides." Travel-related expenses of the office of vice president, engineering, increased from $8,572 in 1989 to $113,131 in 1990—because in the latter year 12 members of a "Management Associates" program in that office traveled throughout the system to learn the operations of the mechanical/engineering department.

The bottom line of GAO's inquiry: Amtrak continues to be perhaps the leanest, most efficient program supported (in part, by taxpayer dollars—certainly, one of the few, if not the only one, that requires fewer and fewer of those taxpayer dollars as it grows.

Amtrak's Revenue, Expenses, and Federal Subsidies, Fiscal Years
(dollars in thousands)

	1988	1989	1990	1991
Revenues	$1,106,727	$1,269,070	$1,308,425	$1,358,950
Expenses				
Train operations	374,845	400,959	417,454	449,585
Maintenance and equipment	384,049	429,038	470,176	443,481
Maintenance of way	193,404	226,789	202,894	204,511
Onboard services	149,921	165,598	173,303	169,733
Stations	109,929	115,749	123,488	125,464
Marketing and reservations	149,670	172,879	176,708	184,457
General support	136,501	135,655	150,284	147,293
Taxes and insurance	61,564	76,497	60,805	63,368
Depreciation and amortization	153,731	165,802	181,619	202,643
General and administrative	41,173	42,061	45,526	49,531
Special charges				27,165
Interest	2,296	3,507	9,583	13,307
Total	**$1,757,083**	**$1,934,543**	**$2,011,840**	**$2,080,538**
Net loss	(650,356)	(665,473)	(703,415)	(721,588)
Federal operating subsidies	532,300	$ 553,800	$ 520,100	$ 343,100

Amtrak's fiscal year runs from October to September.
The federal subsidy is substantially less than the net loss because certain noncash expenses (e.g., depreciation) and other expenses are not covered by federal subsidies.
Source: Amtrak's 1989 and 1991 annual reports.